

24-375

~~CONFIDENTIAL~~~~SECRET~~

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January 30, 1954

25X1

Reference: Our quotation of September 10, 1953, to [redacted] subject 25X1
 ("Price increase request for RS-6 radio sets (contract PSC-
 146-UNV)")

Enclosure: Exhibit 1B cost breakdown analysis of Exhibit B changes
 Exhibit 1C cost breakdown analysis of Exhibit B, C, C1 and
 C2 changes

Dear [redacted]

25X1

As a result of our last meeting with your organization in Washington it had been agreed that our company would furnish you with additional cost breakdowns for changes requested in the referenced letter quotation. We have prepared for your review a cost breakdown for all changes referenced on Exhibit B of the referenced quotation which have been "tied in" directly to a TAR number or one of our internal Change Order numbers. These cost breakdowns are included as Exhibit 1B which is attached to this letter. Furthermore we have prepared a comparison of the costs requested by TAR number 14 which we hope will permit your organization to properly evaluate our request for an increase resulting from these changes. This breakdown is attached as Exhibit 1C of this letter.

It has been only with great difficulty that we have been able to "tie in" these costs for changes made during a time that expediency was gained at a sacrifice of paper work between our respective organizations. In many cases the paper work for these changes had been prepared as an after thought rather than on a concurrent basis at the time the changes were being made. We hope that this information will permit you to evaluate these changes and the price increase requested as a result of them without any further delays.

Very truly yours,

25X1

JEM/ [redacted]

cc: [redacted]

Agency

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Exhibi' B

January 6, 1953

Cost Analysis of Changes Submitted in our Quotation of September 10, 1953
(for Exhibit B changes)

Military C.O. No.	Material	Matl. Hdng.	Direct Labor	Direct Labor	Teaoling	Total Factory Cost	G & A	Profit	Unit S/P
	Unit Cost	and F.S.R.	Unit Cost	Overhead					
OP 870	.0500	.0025	.0215	.0269		1009	.0024	.0115	.1148
880	.0030	.0002	.1751	.2189		3972	.0090	.0152	.4574
899	.9144	.1204	.0395	.0401		1,1275	.0391	.1296	.32967
923	.0701	.0035				40736	.0016	.0083	.0835
928	.0701	.0110			.0616	11457	.0051	.0167	.8675
930	.9900	.0194	.2943	.3679		3777	.0132	.0133	.01337
931	.0392	.0052	.14759	.18446		3,3659	.1198	.3872	.3,3729
936	.0500	.0025	.1387	.1731		1,2596	.0091	.0298	.02985
946	.0061	.0001			.0821	9759	.0026	.0087	.00872
950	.0200	.0010				0270	.0007	.0026	.0211
955			.0180	.0229		0105	.0011	.0016	.0165
958			.1102	.5501		9906	.0346	.1139	1.1391
1002	.3000	.0174				31471	.0122	.0399	.03995
1005	.0160	.0008				0168	.0006	.0019	.0193
1009	.0062	.0003	.0782	.0977		1,821	.0063	.0210	.02097
1010			.0106	.0506		0912	.0032	.0104	.01048
1041	1.2936	.0604				1,3580	.0171	.1562	1.5613
1042			.2985	.3704	.0197	6916	.0210	.0795	.07951
1045	.0700	.0135				2835	.0099	.0326	.03260
1046			.0239	.0298		0537	.0019	.0061	.00617
1047	.0711	.0035	.0239	.0298		1,283	.0044	.0117	.01174
1052	.0300	.0357				44057	.0111	.0266	.02664
1055					.0126	10126	.0005	.0015	.0015

Exhibit 1C

SECRET

February 1, 1953

Cost Breakdown Analysis for Changes Submitted in our Quotation of September 10, 1953
(for Exhibit B, C, C1 and C2 charges)

Department	Unit Studied	Expected Unit Productivity		Unit % Burden	Unit Burden	Total Unit HPC	Total Dollar Per Set Increase
		HPC	%				
<u>1601 Line Wiring</u>							
Contract Quotation	321.6		60	538.0	90	288.4	826.4
Average for 1953	342.2		53	645.2	172	589.0	1234.2
Difference	20.6						407.8
Requested Increase	19.6		60	32.6	101	19.8	52.46
<u>1602 Phasing</u>							
Contract Quotation	129.0		55	234.8	115	148.3	383.1
Average for 1953	196.4		71	276.0	381	749.0	1025.0
Difference	67.4						641.9
Requested Increase	48.3		55	87.8	125	60.4	148.19
<u>1605 Preliminaries</u>							
Contract Quotation	278.7		71	394.4	70	195.2	589.6
Average for 1953	315.0		57	550.7	74	232.2	793.9
Difference	36.3						193.3
Requested Increase	25.3		71	49.6	80	28.2	77.86
<u>1610 Final Test</u>							
Contract Quotation	71.1		55	128.3	115	61.8	210.1
Average For 1953	140.3		71	198	113	158.5	356.5
Difference	69.2						146.4
Requested Increase	40.0		55	72.7	120	48.0	120.72
Inspection & Test							2.60
(Transfer to 1602)	(20.0)			(36.3)		(24.0)	(1.30)
Air Test							3.57
Requested Increase	55.0		55	100.0	120	66.0	166.0
Air Test							1.62
(Transfer to 1602)	(25.0)			(49.4)		(30.0)	(75.4)
Total Requested Increase	95.0						286.72
							6.17 (135.7 HPC, \$3.92, to 1602)

UNCLASSIFIED	RESTRICTED	CONFIDENTIAL (SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)	SECRET
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
<i>14-510</i>			
TO		INITIALS	DATE
1	Engr Div/OC		
2	<i>File PSC-148-001</i>		
3			
4			
5			
FROM		INITIALS	DATE
1	Contract Branch/PD/LO	<i>Jde</i>	<i>2/4/54</i>
2			
3			
<input type="checkbox"/> APPROVAL		<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE
<input checked="" type="checkbox"/> ACTION		<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> RETURN
<input type="checkbox"/> COMMENT		<input type="checkbox"/> PREPARATION OF REPLY	<input type="checkbox"/> DISPATCH
<input type="checkbox"/> CONCURRENCE		<input type="checkbox"/> RECOMMENDATION	<input checked="" type="checkbox"/> FILE
Remarks:			
<i>Air Test - Price.</i>			
<i>- Tim 14-510, 12-2-54</i>			
<i>Discussed air test with Navy Dept. Says this should be continued.</i>			
SECRET	CONFIDENTIAL	RESTRICTED	UNCLASSIFIED
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